

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7953**

**BILL NUMBER:** SB 524

**NOTE PREPARED:** Feb 28, 2005

**BILL AMENDED:** Feb 28, 2005

**SUBJECT:** Tax Sales and Redevelopment.

**FIRST AUTHOR:** Sen. Wyss

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) The bill provides that the purchaser of a certificate of sale at a tax sale may enter the property at a reasonable time to: (1) inspect the property; (2) perform reasonable repairs or rehabilitation on the property; and (3) perform any act necessary to abate a public nuisance. The bill provides that the expenditures made by the purchaser in taking these actions are included in the cost of redeeming the property.

The bill also provides that certain costs of enforcing the unsafe building law for a particular property become a lien on the property of an officer, a manager, or a director of the property owner or a shareholder, a partner, a member, or another person owning more than a 10% interest in the property owner. It also provides that in certain eminent domain proceedings initiated by a redevelopment commission, the determination of the fair market value of the property must take into account certain costs and factors.

The bill specifies the costs to be considered in the appraisal of property under certain eminent domain proceedings initiated by a redevelopment commission. It also allows all counties to use a provision currently applicable only to the Metropolitan Development Commission in Marion County that allows the county to acquire certain property at tax sales for redevelopment purposes. It amends the definition of "blighted area" for purposes of the planning and development law.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Tax Sales:* This provision will allow counties to acquire properties, on which taxes are delinquent and are considered unsafe buildings, for redevelopment purposes. This provision could lead to such properties being placed back on the property tax rolls more promptly.

(Revised) *Eminent Domain Proceedings:* The bill also includes various expenses, such as fees and construction costs, and specific conditions that must be included in an appraisal that is made for the purpose of an eminent domain proceeding. Such factors could affect a property's fair market value. The fiscal impact of the provision will vary depending on the difference in appraised values.

The bill also removes age as a means of designating an area undesirable and thus blighted. This change in definition could cause some areas to not be considered blighted and could potentially reduce the number of areas that could be acquired through eminent domain.

**Explanation of Local Revenues:** See *Explanation of Local Expenditures*.

**State Agencies Affected:**

**Local Agencies Affected:** Counties, cities, county and township redevelopment commissions, Marion County Redevelopment Commission.

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867.